

PO Box 1420, Rapid City, SD 57709-1420

April 15, 2010

Ms. Mary F. Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Dear Ms. Rupp:

Re: Comments on NCUA Proposed Changes to Chartering and Field of Membership

The Board and Management of Black Hills Federal Credit Union wish to express our concerns regarding proposed changes to the Chartering and Field of Membership Manual as it relates to Community Credit Unions.

While we support your efforts to provide streamlined approval of credit union charters and expansions based on quantitative data, we have serious concerns about using the proposed qualifiers to determine whether a "community" exists. The proposed changes may be appropriate for metropolitan areas but they fail in rural, often underserved areas that can not measure up statistically.

Black Hills FCU is similar to many other credit unions located in less populated, large geographic areas. Many of our counties have less than 6 people per square mile and total populations under 3,000. NCUA's proposed rules make it almost impossible to bring credit union services to small counties like these.

Yet, under the new rules, our current charter would not meet the definition of "rural" because more than 50% of the area's residents live in Rapid City. With our sparse population, it is impossible to meet the proposed requirement that more than 50% of the population live in census blocks that are designated as rural, when the total population of the area must not exceed 100,000 persons. Our five counties have a population of less than 150,000, and the second largest city in the area has fewer than 10,000 people. This is clearly a rural area; however, it would not qualify as such under the proposed rules.

Furthermore, under the new rules, NCUA uses commuting as a method of demonstrating the functional integration of geographic areas, thus defining a community by the number of people who commute to work. Using the proposed threshold of 25% inter-county commuting, Black Hills FCU would qualify to serve only two of our five counties. The other three counties would not qualify based on commuting patterns.

However, the residents of those counties consider themselves to be part of our community. While the large geographic areas create distances too far to travel daily for work, thus making the commuting requirement impossible to meet, these rural residents do make regular trips to Rapid City. They attend college, buy and sell cattle and crops, enjoy movies and dining, and utilize medical, air transportation, convention, and shopping facilities that are otherwise unavailable to them. They serve on agricultural and tourism boards, share state and local agencies, and rely on Rapid City, our home base, for the bulk of their goods and services. They come to town frequently but are most often employed in agriculture or mining, or in small retail and service outlets in rural towns.

Western South Dakota is also home to four reservations and Rapid City serves as the focal point for Native American services. Yet, the rules on commuting will preclude this important part of our population from qualifying for credit union services. Those most in need will not qualify under NCUA's proposed rules.

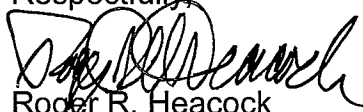
Lastly, a community is not defined by commuting patterns or the percentage of people who live in or outside of defined cities and towns. A community exists because people interact through commerce and cultural activities, health, recreation, and educational pursuits, as well as employment and work-related endeavors. They are drawn together by the attributes of the community to which they belong. There is not one formula that defines "community." To attempt to do so, excludes the diversity of people that credit unions serve and interferes with our basic philosophy of "people helping people."

In closing, NCUA's proposed rules effectively disenfranchise people who are located in sparsely populated areas of the right to join a credit union. We respectfully ask NCUA to eliminate the statistical parameters defining "Rural District" and to instead designate a "Rural District" as a contiguous area with a total population of less than 500,000. In addition, NCUA's method of demonstrating a well-defined local community (WDLC) through commuting is not legitimate for large geographic areas with sparse populations and should not be used to define a community.

We also understand that NCUA has issued a moratorium on community charter Field of Membership requests. We urge NCUA to lift this moratorium which has no definitive end date and effectively denies membership to those seeking to join a credit union and halts credit union growth and expansion.

On behalf of Black Hills Federal Credit Union and many others like it, I urge you to reconsider the proposed rules on the Chartering and Field of Membership of Community Credit Unions.

Respectfully,



Roger R. Heacock
President & CEO